Entrepreneur & Innovation Exchange
Published online at FamilyBusiness.org on August 08 2025
DOI: 10.32617/1282-68afa0a4b209f

Addressing Substance Use Disorders in a Family Enterprise

Diana Clark (Intent Clnical)

KEYWORDS: family business advice, Help with a family business, family business conflict.

When a family member struggles with addiction, the consequences can ripple throughout the firm and increase its risks.

Scott, a seasoned executive in a multigenerational family business, approached our behavioral health team following a session titled *"Raising Sensitive Subjects."* Initially casual, our conversation quickly shifted as Scott shared a series of escalating concerns affecting both his family and the business. These ranged from depression and erratic spending to cognitive decline and substance use. But the most urgent issue was George—a 38-year-old family member who had recently shown up at the family office intoxicated and visibly agitated.

George's story was familiar to those of us who work in family systems. He had a long history of early-onset substance use, beginning at just 14. Statistically, that placed him at nearly a 50% risk of developing a lifelong addiction. His father and brother had both battled alcohol problems, yet the family had never had a formal conversation about these patterns. A recent DUI could have been a wake-up call—but instead, local physicians, perhaps influenced by the family's community status and history of philanthropy, dismissed the situation without deeper evaluation or referral.

The family's reluctance to acknowledge the problem stemmed from a familiar source: fear of stigma and reputational harm in a small, tightly knit community. Publicly generous and highly visible, they found it easier to deny or rationalize George's behavior than to confront the difficult truths. Efforts to introduce clinical professionals were met with resistance. Conversations at family gatherings danced around the issue -- cloaked in silence, euphemisms, or misplaced hope that things might "work themselves out." But as in many family enterprises, silence didn't protect the individual—it protected the dysfunction.

Lost Morale and Other Risks

When a family member struggling with substance use is employed within the enterprise, the consequences often extend well beyond the individual. George's presence at the office, visibly intoxicated and emotionally unstable, created immediate concerns about safety and professionalism. Non-family employees expressed discomfort and confusion—unsure of the appropriate boundaries or whom to alert. Some quietly questioned whether rules applied equally to all, while others disengaged or considered leaving.

In family-run businesses, where relationships and operations are deeply interwoven, this type of ambiguity hurts the culture. Morale suffers when leadership appears inconsistent or when problematic behavior is tolerated in one individual due to their last name. Accountability blurs, and a culture of silence can take root—fueled by fear of retaliation or the belief that "nothing will change."

Beyond morale, the risks are tangible: potential liability if an impaired employee causes harm; reputational damage that affects vendors, clients, or the community; even financial loss from mismanaged projects or decreased team productivity. The presence of untreated behavioral health issues in key roles can distort decision-making, disrupt succession planning, and deter top external talent from joining or staying with the firm.

Ultimately, failing to address these challenges jeopardizes not only family harmony but also the integrity and continuity of the business itself.

The Remedy

Together with Scott, we began building a structured plan grounded in safety and long-term support. This included identifying a core group of family and non-family members who could serve as a calm, cohesive presence; collecting clear observations of George's behavioral changes; and identifying professional resources who could step in as needed. Perhaps most importantly, we coached the group in how to prepare emotionally grounded, non-confrontational communication—how to say “we care” without blame, and how to stay steady in the face of denial or resistance.

Have a Wellness Strategy

George’s story reminds us that in families where business, wealth, and legacy are deeply intertwined, mental health challenges can be particularly difficult to acknowledge. But that doesn’t make them any less real—or any less urgent. A proactive family wellness strategy can make a profound difference. This includes designating a trusted professional to coordinate care, documenting patterns of mental health and substance use, maintaining a curated list of clinical resources, and forming a small, committed family “council” to meet regularly—before crisis strikes.

Conversations about substance use or mental health should not begin in the emergency room or after a public incident. They should be practiced, normalized, and supported with clear next steps. These conversations are most effective when initiated by someone the struggling individual respects and hears as caring and nonjudgmental. A second presence—a professional or trusted outsider—can lend stability and credibility. And while emotions often run high, training in how to approach these moments calmly and constructively can make all the difference.

Language matters. Phrases like “I see you struggling, and I want to help” or “I’ve done some research and found a few trusted options” can open doors, whereas accusations or ultimatums only reinforce shame and resistance.

Don’t Avoid Tough Conversations

Perhaps most important is recognizing that families don’t have to do this alone. Skilled facilitators provide a neutral voice, structure the process, and greatly increase the odds of treatment engagement. At the heart of all successful interventions is the same truth: avoiding hard conversations may preserve the illusion of harmony, but it does nothing to protect the individual in crisis—or the family as a whole.

Family enterprises are uniquely positioned to thrive when they place as much value on emotional well-being as they do on financial health. The earlier these conversations begin, the more effective—and the more humane—the outcomes.

Learn More

DOI: 10.32617/1282-68afa0a4b209f